



# 2012 INPRS UPDATE

Indiana State Budget Committee

December 4, 2012

*Steve Russo*  
*Executive Director*

# Overview – Plans & Funds

- Seven Retirement Plans

- PERF
- TRF
- '77 Police and Fire
- Judges
- Excise Police, Gaming Agents and Conservation Officers
- Prosecuting Attorneys
- Legislators

- Three Non-Retirement Funds

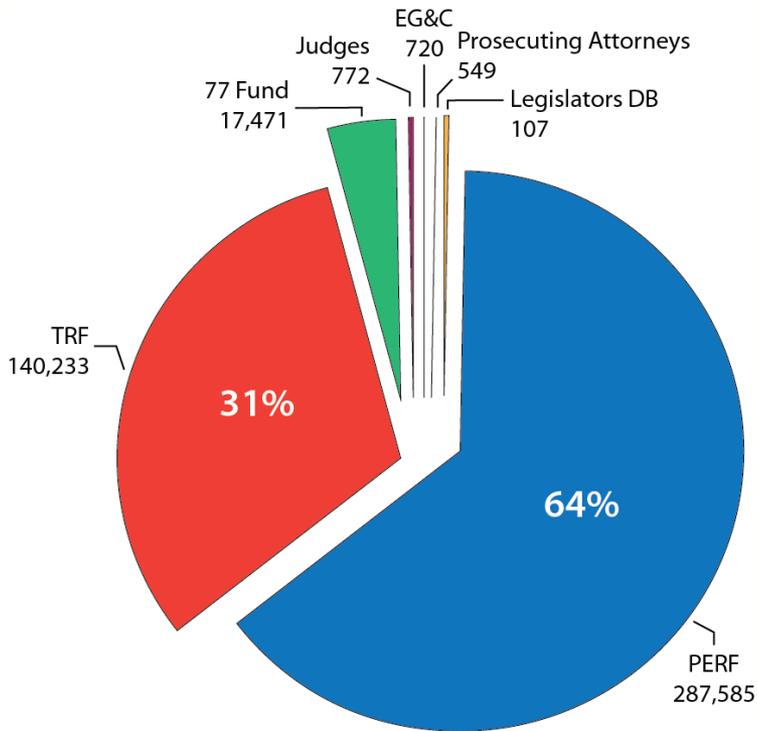
- Pension Relief
- Public Safety Officers' Special Death Benefit Fund
- State Employees' Death Benefit Fund

# Overview – Member Demographics

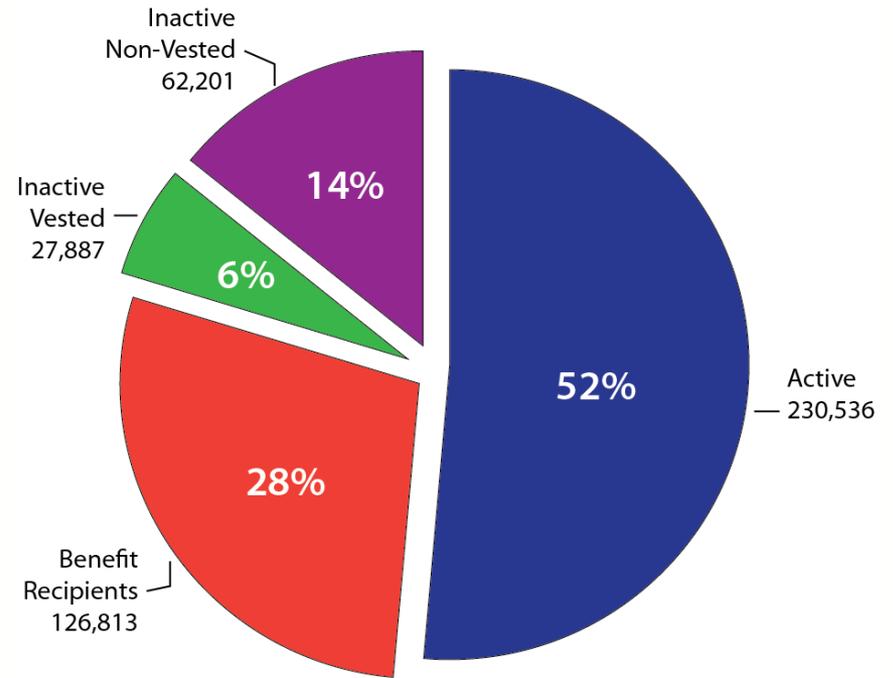
(as of June 30, 2012)

## 447,000 + Members

### Members By Fund



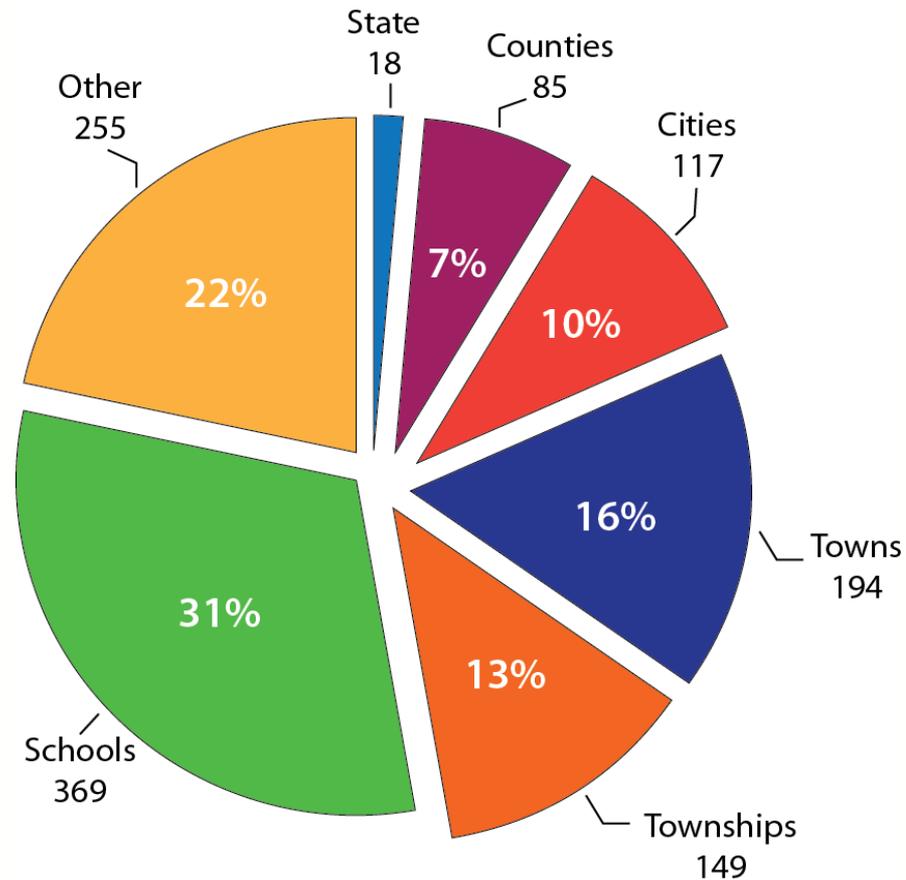
### Members By Status



# Overview – Employer Demographics

(as of June 30, 2012)

## 1,100 + Employers



# FY2012 Actual Change In Net Position

- INPRS' Net Assets remained basically the same from June 30, 2011 to June 30, 2012

<b>Net Assets – June 30, 2011</b>	<b>\$25.8B</b>
Contributions	+ \$2.0B
Investment Income	+ \$0.2B
Payments	- \$2.4B
<b>Net Assets – June 30, 2012</b>	<b>\$25.6B</b>
<b>Net Assets – September 30, 2012</b>	<b>\$26.5B</b>

# Funded Status as of June 30, 2012

- Aggregate funded status decreased from June 30, 2011 to June 30, 2012 primarily due to:
  - Lower investment return / interest rate assumption from 7.0% to 6.75%
  - FY2012 Investment Return of 0.7% (vs. actuarial assumed rate of 7.0%)

*\$ in Millions*

Defined Benefit Retirement Plans	Actuarial Valuation as of June 30, 2012		Actuarial Valuation as of June 30, 2011	
	Unfunded Actuarial Accrued Liability	Funded Status	Unfunded Actuarial Accrued Liability	Funded Status
PERF	\$ 3,696.0	76.6%	\$ 2,912.5	80.5%
TRF 1996 Account	401.9	90.7%	332.2	91.7%
1977 Fund	335.8	91.9%	45.2	98.8%
Judges	177.8	59.4%	151.7	62.1%
E,G,&C Plan	37.3	67.1%	28.9	71.5%
PARF	28.6	49.0%	27.6	48.2%
LEDB	1.1	75.0%	1.0	78.6%
<b>Aggregate Pre-Funded Plans</b>	<b>\$ 4,678.5</b>	<b>81.2%</b>	<b>\$ 3,499.1</b>	<b>84.9%</b>
TRF Pre-1996 Account (Pay-As-You-Go)	11,543.9	30.1%	11,091.0	32.0%
<b>Aggregate All INPRS Plans</b>	<b>\$ 16,222.4</b>	<b>60.8%</b>	<b>\$ 14,590.1</b>	<b>63.0%</b>
<i>Memo:</i>				
Total Teachers' Retirement Fund	11,945.8	42.7%	11,423.2	43.8%

Note: Funded status for Judges, E,G,&C Plan and PARF excludes impact of ATR revenues to INPRS in FY 2013 to increase funded status to 80%

# Funded Status

## Return Assumption Sensitivity

\$ in Millions

Defined Benefit Retirement Plans	Baseline @ 6.75%		Interest Rate @ 7.5%		Interest Rate @ 8.0%	
	Unfunded Actuarial Accrued Liability	Funded Status	Unfunded Actuarial Accrued Liability	Funded Status	Unfunded Actuarial Accrued Liability	Funded Status
PERF	\$ 3,696.0	76.6%	\$ 2,601.8	82.3%	\$ 1,946.8	86.1%
TRF 1996 Account	401.9	90.7%	13.9	99.6%	(220.1)	105.9%
1977 Fund	335.8	91.9%	(102.3)	102.8%	(358.7)	110.5%
Judges	177.8	59.4%	142.6	64.6%	121.6	68.1%
E,G,&C Plan	37.3	67.1%	27.5	73.4%	21.6	77.9%
PARF	28.6	49.0%	24.1	53.3%	21.4	56.2%
LEDB	1.1	75.0%	0.9	79.1%	0.7	81.9%
<b>Aggregate Pre-Funded Plans</b>	<b>\$ 4,678.5</b>	<b>81.2%</b>	<b>\$ 2,708.5</b>	<b>88.2%</b>	<b>\$ 1,533.3</b>	<b>92.9%</b>
TRF Pre-1996 Account (Pay-As-You-Go)	11,543.9	30.1%	10,567.4	32.0%	9,953.1	33.3%
<b>Aggregate All INPRS Plans</b>	<b>\$ 16,222.4</b>	<b>60.8%</b>	<b>\$ 13,275.9</b>	<b>65.5%</b>	<b>\$ 11,486.4</b>	<b>68.7%</b>
<i>Memo:</i>						
Total Teachers' Retirement Fund	11,945.8	42.7%	10,581.3	45.7%	9,733.0	47.8%

# Where does the money come from?

## Indiana Pension Receipts 1993 - 2009

Employers: 51%

Investment Earnings: 36%

Employees:  
13%



Source: National Institute On Retirement Security - Pensionomics 2012

# Investments- A Year in Review

- Adopted new common INPRS asset allocation to further diversify the portfolio and reduce stock exposure
- Combined PERF/TRF DB assets to improve performance and reduce fees

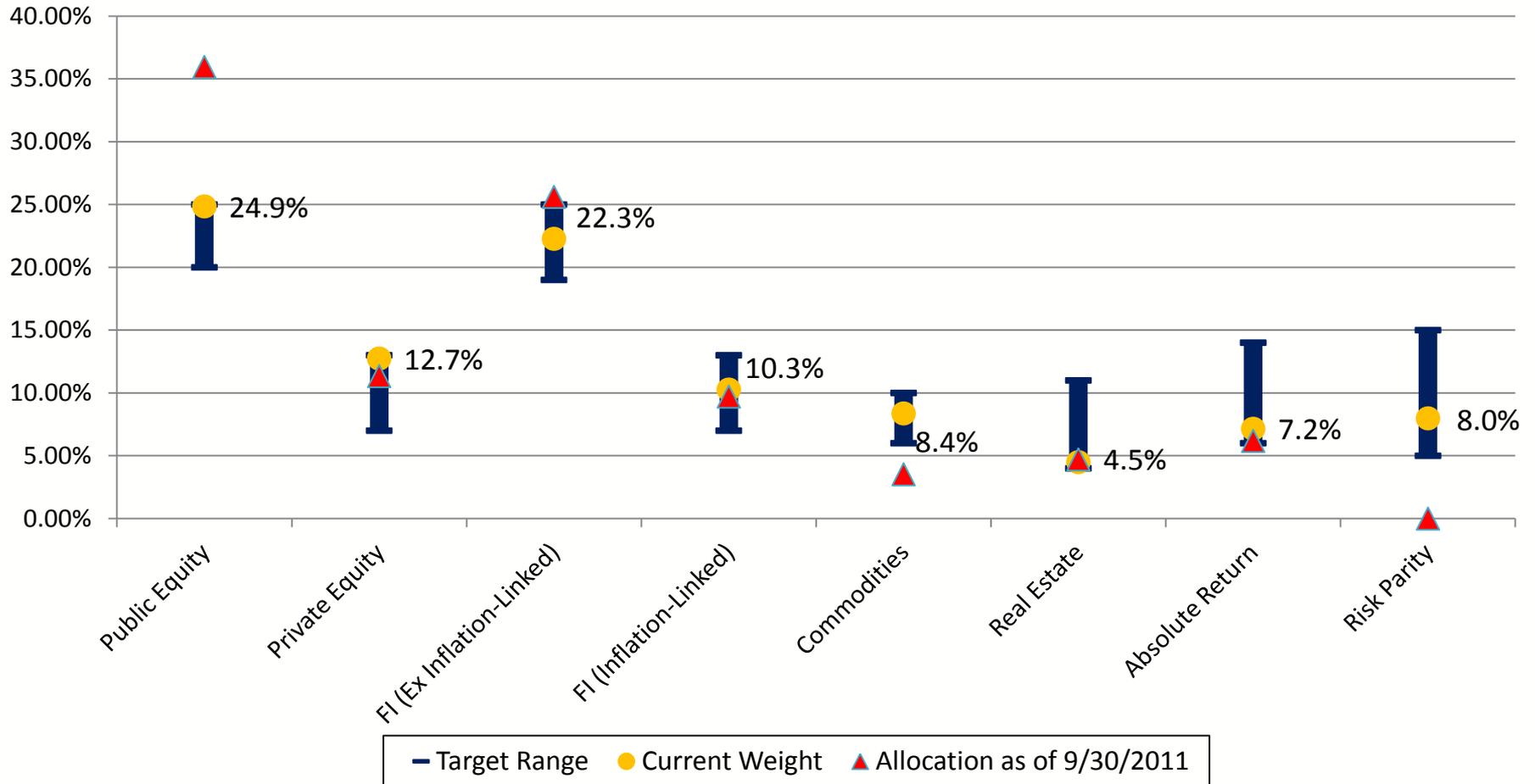
One-time Fee Savings: \$14.7M

Ongoing Annual Fee Savings: \$18.6M/yr.

Total NPV: \$290.3M

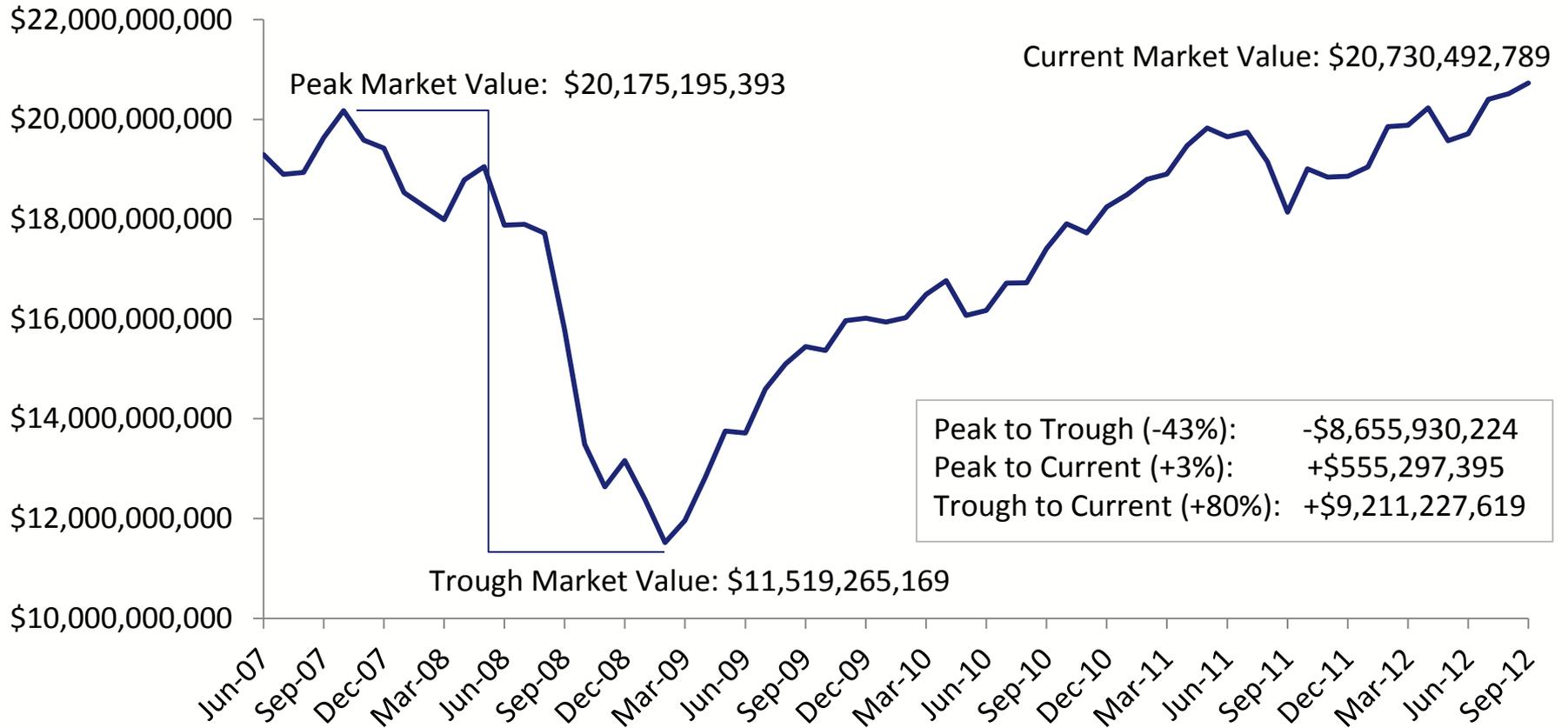
# INPRS DB Asset Allocation

(as of September 30, 2012)

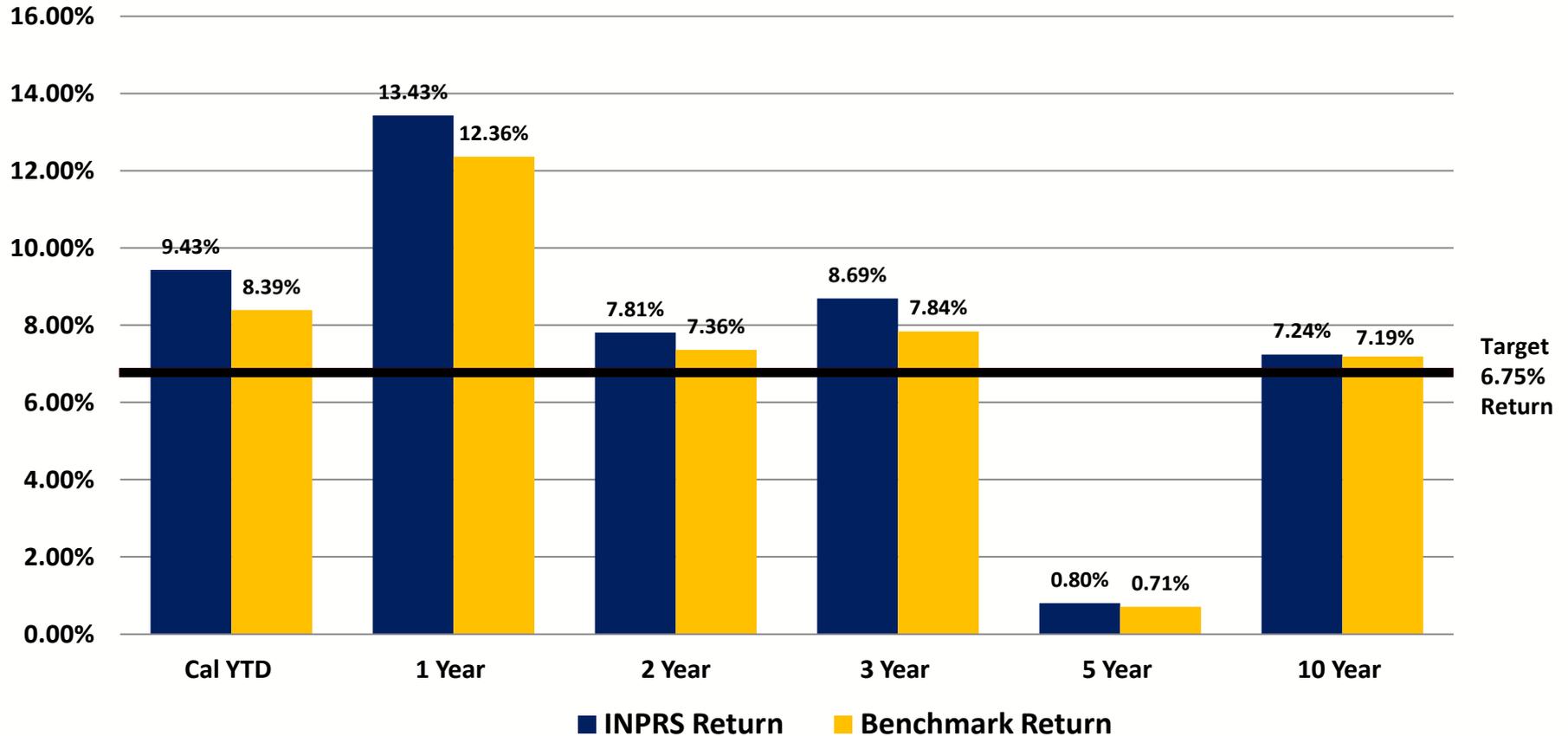


# Peak to Trough Performance

**INPRS DB Market Value** (As of 9/30/2012)



# DB Investment Return Performance as of 9/30/12 (Net of Fees)



# Economic Outlook

## Market Sentiment Remains Uncertain

- Global Growth Concerns
- European Debt Issues Unresolved
- US Fiscal Cliff and Debt
- US Unemployment

# Pension Funding Sources

## FY2012 – FY2015

\$ in Millions

Fund	FY2012 Actual		FY2013 Forecast			FY2014 Forecast		FY2015 Forecast	
	General Fund Appropriation	Other <sup>1</sup>	General Fund Appropriation	ATR (HB 1376) State Excess Reserves	Other <sup>1</sup>	General Fund Appropriation	Other <sup>1</sup>	General Fund Appropriation	Other <sup>1</sup>
PERF	-	556.5	-	-	609.0	-	691.0	-	732.0
TRF	725.4	418.6	747.2	206.8	452.4	769.6	470.4	792.7	514.3
- Pre-Funded 13th Check	-	-	19.6	-	-	-	-	-	-
1977 Fund	-	176.5	-	-	178.0	-	184.0	-	189.0
JRS	11.8	9.6	14.1	90.2	9.8	13.7	10.0	13.9	10.0
E,G,&C Plan	-	6.0	-	14.6	6.4	-	6.6	-	6.7
PARF	1.8	1.3	2.0	17.4	1.3	1.2	1.4	1.1	1.4
LEDB & LEDC	0.1	1.3	0.2	-	1.4	0.1	1.6	0.1	1.6
Pension Relief	131.0	93.6	180.0	-	43.1	145.0	82.4	175.0	53.7
<b>Total</b>	<b>870.1</b>	<b>1,263.4</b>	<b>963.1</b>	<b>329.0</b>	<b>1,301.4</b>	<b>929.6</b>	<b>1,447.4</b>	<b>982.8</b>	<b>1,508.7</b>

<sup>1</sup> Other includes member contributions, employer contributions, Pension Stabilization Fund drawdown, lottery proceeds, docket & court fees, cigarette & alcohol taxes, and Pension Relief Fund drawdown

# Teachers' Retirement Fund (TRF) Pre-1996 Account Budget Impacts

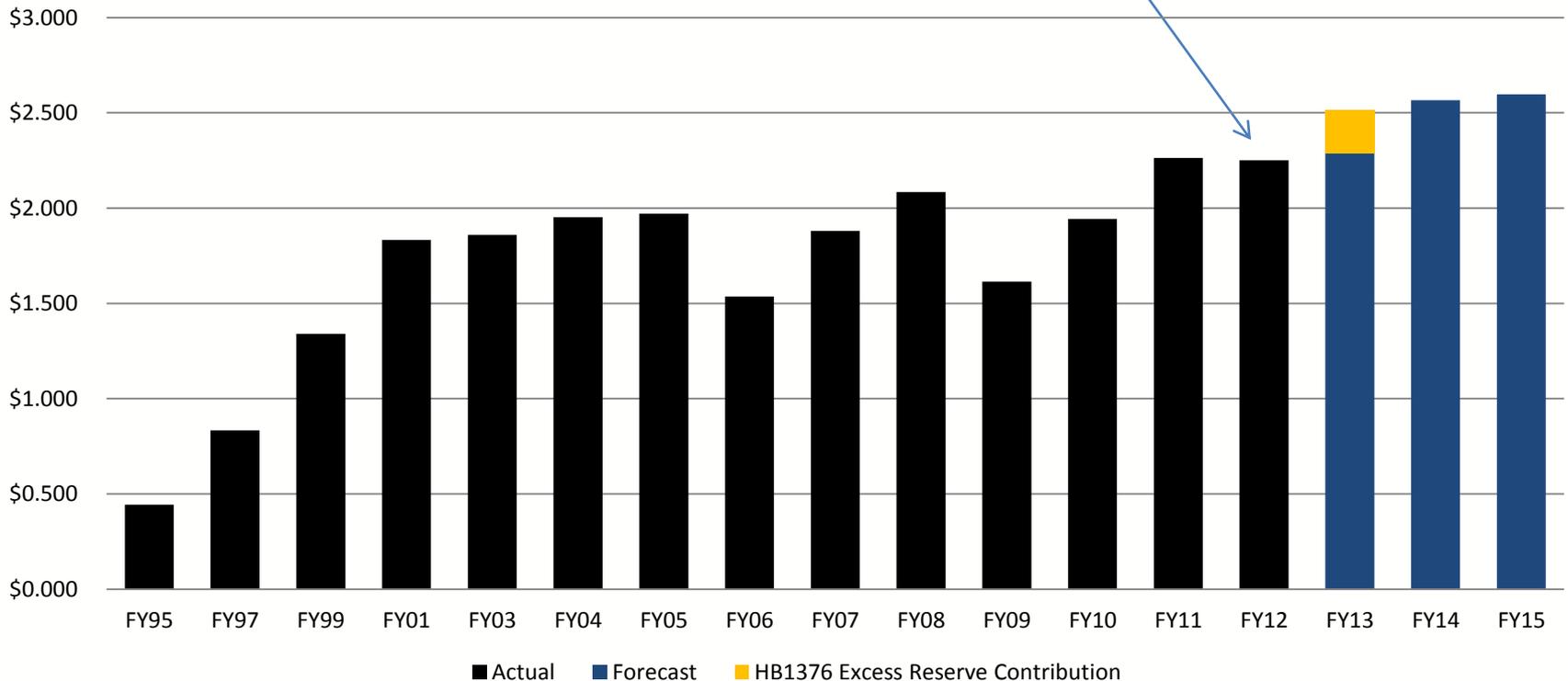
- 3% year-over-year appropriations growth for FY2013 – FY2015

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
<b>Total:</b>							
Benefit Payments	(\$661.4)	(\$714.1)	(\$769.4)	(\$823.9)	(\$866.6)	(\$885.0)	(\$929.9)
General Fund Appropriations	\$662.6	\$687.3	\$704.3	\$725.4	\$747.2	\$769.6	\$792.7
Amount Withdrawn from PSF	\$1.2	(\$26.8)	(\$65.1)	(\$98.5)	(\$119.4)	(\$115.4)	(\$137.2)
Lottery Transfer	\$30.0	\$30.0	\$35.0	\$30.0	\$30.0	\$30.0	\$30.0
Other Income	\$9.5	\$13.1	\$7.5	\$11.8	\$12.0	\$12.0	\$12.0
Investment Gains / (Losses)	(\$510.8)	\$312.3	\$343.1	\$43.7	\$116.3	\$124.0	\$125.9
13th Check Prefunding	-	-	-	-	\$19.6	-	-
Excess Reserve Income	-	-	-	-	\$206.8	-	-
PSF Balance	\$1,614.4	\$1,943.0	\$2,263.5	\$2,250.5	\$2,515.8	\$2,566.4	\$2,597.1

# TRF Pre-1996 Pension Stabilization Fund

Balance as of June 30, 2012 = \$2,250M

PSF Balance (\$billions)

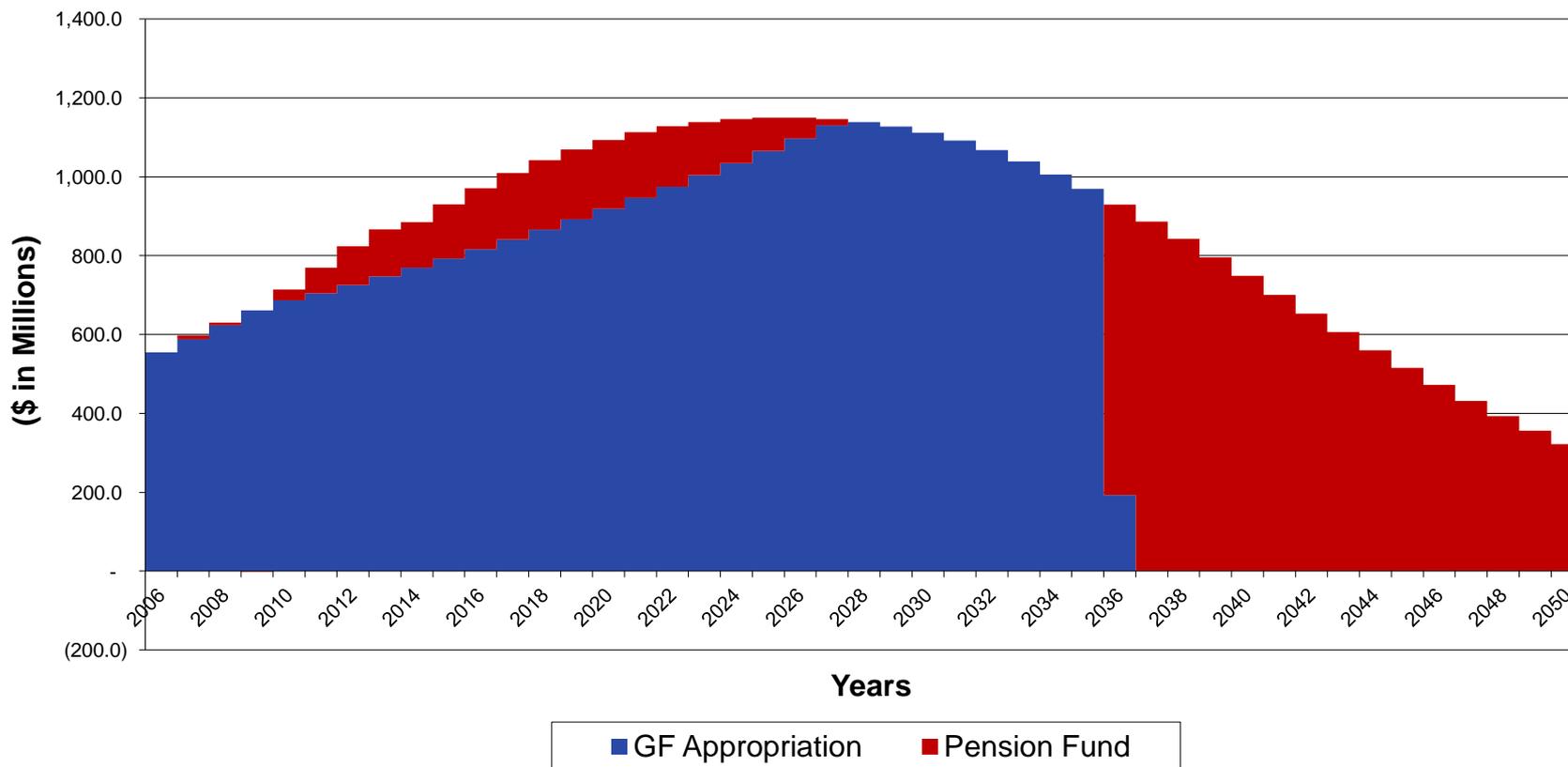


# Long Term TRF Pre-96 Funding Options

- While near term GF appropriations should maintain 3% growth, the legislature will have options in the future
  - Option A – Maintain 3% appropriations growth until 100% funded
  - Option B – Manage appropriations to maintain positive PSF balance

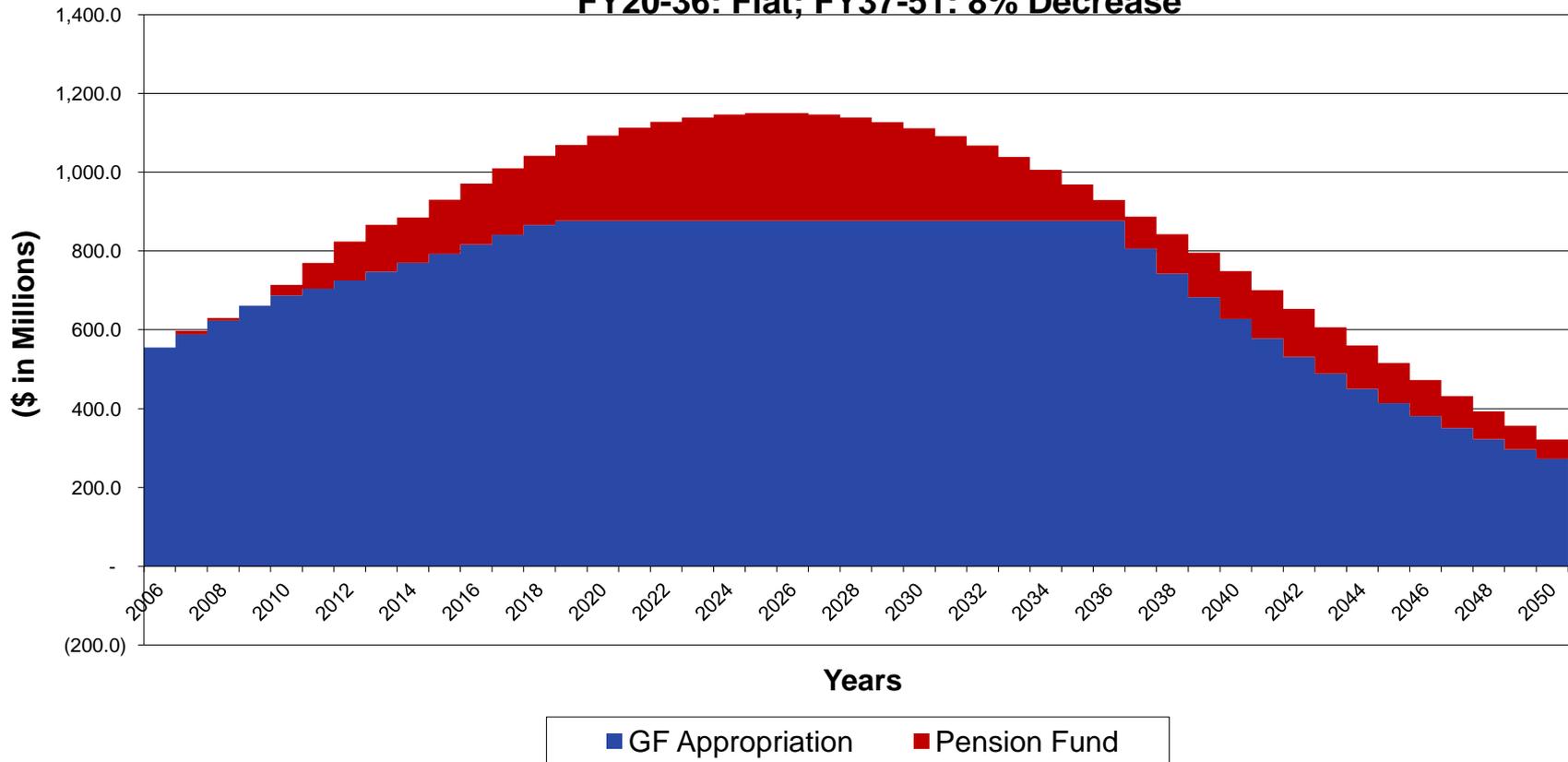
# Teachers' Retirement Fund (TRF) Pre-1996 Account Forecast – Option A

**Pre-96 Account DB Benefit Payment Forecast**  
assumes 3% per yr. state appropriations growth until 100% funded



# Teachers' Retirement Fund (TRF) Pre-1996 Account Forecast – Option B

**Pre-96 Account DB Benefit Payment Forecast**  
 FY13: \$747M; FY14-18: 3% Increase; FY19: 1.2% Increase;  
 FY20-36: Flat; FY37-51: 8% Decrease



# GASB Rule Changes

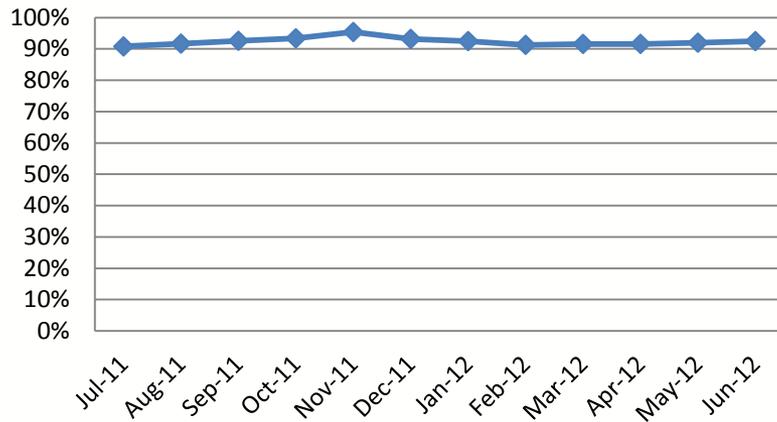
- GASB has issued changes to its accounting standards related to pensions
  - Defines the method for calculating and reporting Net Pension Liability and Pension Expense
  - Requires state and local units of government to report their share of Net Pension Liability and Pension Expense in their financial statements
  - Defines how certain actuarial methods and assumptions are to be used for calculating Net Pension Liability and Pension Expense
  - Changes the discount rate used to project total pension liability
    - Funded liabilities will continue to use the fund's expected long-term rate of return (6.75%)
    - Unfunded liabilities will use a 20-year municipal bond index rate
  - Effective date for INPRS is FY2014; for state & local government is FY2015
- INPRS working with Auditor of State, local units of government, and actuaries to determine impact prior to implementation of standards

**GASB rule changes DO NOT change how pensions are funded**

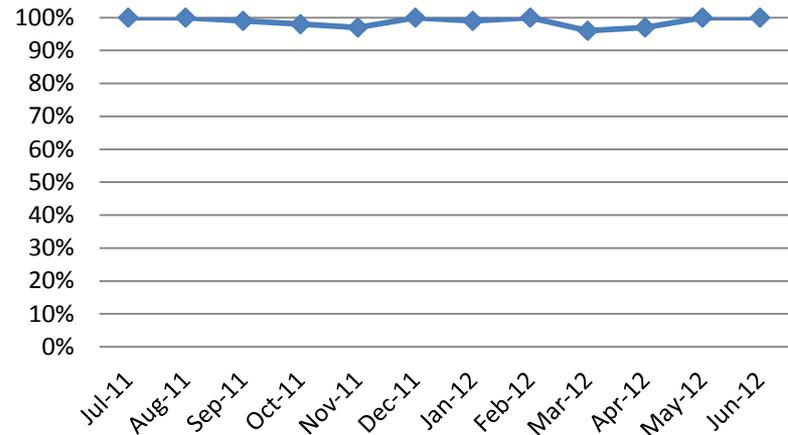
# Operational Performance

Consistently achieving high levels of performance

## Member Satisfaction



## On-Time Benefit Payments



- Recognized leader in customer service by a global pension system benchmarking firm
- Certificates of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA)
- Public Pension Standards Awards for Funding and Administration from the Public Pensions Coordinating Council (PPCC)

# System Modernization

- Benefit Payment Processing - Complete
- Modern Financial System – Complete
- ASA Modernization – Complete
- New Employer Reporting System – Complete
- New Benefits Administration System – Go-live 2013

# COLAs

	<u>Ad-Hoc</u>	<u>Auto</u>
PERF	✓	
TRF	✓	
'77 Police & Fire		✓
Judges		✓
Excise, Gaming & Conservation Officers	✓	
Prosecuting Attorneys	✓	
Legislators DB	✓	
Legislators DC		N/A

# How are COLAs Funded?

- COLAs are not free!
- “Thirteenth Checks” aren’t free either, but are cheaper than COLAs
- Actuaries factor in ad-hoc COLAs based upon historical experience
- For all but the TRF Pre-96 account, COLAs are funded by the employer as part of their contribution rate
- For the TRF Pre-96 account, COLAs are funded directly from the state general fund

# Auto COLA History

## 1977 Police and Fire (CPI, Max. 3%)

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1.20%	2.90%	1.80%	3.00%	3.00%	2.40%	3.00%	0.00%	2.40%	2.10%	2.80%

## Judges '77 System (Whenever salary of the position changes.)

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
0.00%	0.00%	1.72%-2.20%	1/1-0.50%	2.00%	7/1-4.00%	3.25%	0.00%	0.00%	1.30%	2.20%
			7/1-15.0%-22%		12/2-1.50%					

## Judges '85 System (Ad-Hoc before 2011, same as '77 system after 2010\*)

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	0.00%	1.30%	2.20%

\*Only for members who retired after 12/31/09

# COLA & One-time Check Cost Impacts

TRF	
1% COLA	\$87.3M
13th Check	\$20.4M
Combined	\$107.7M

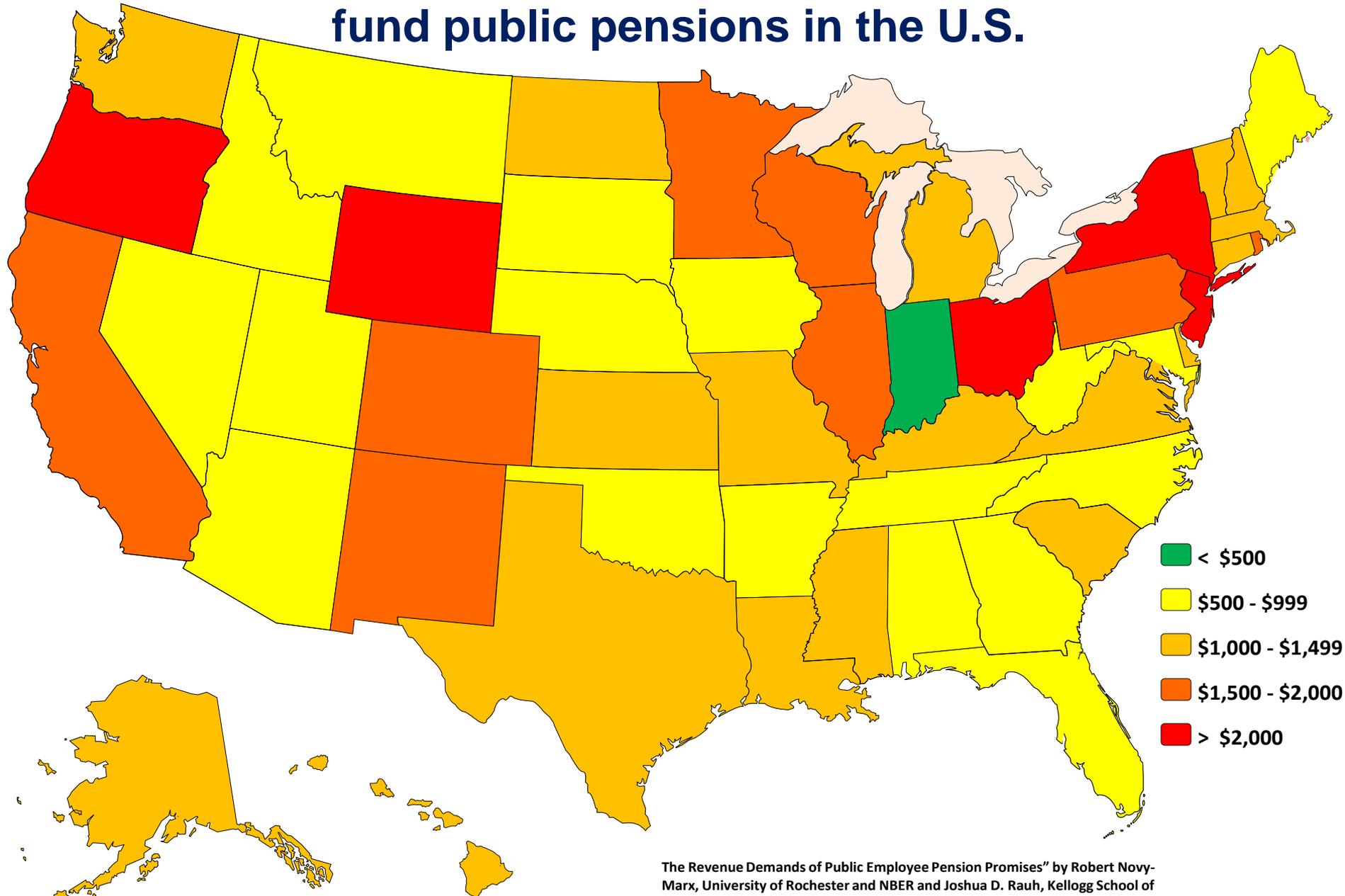
PERF	State	Political Subdivision
1% COLA	\$19.1M	\$37.9M
13th Check	\$8.4M	\$16.7M
Combined	\$27.5M	\$54.6M

EG&C	
1% COLA	\$549K
13th Check	\$65K
Combined	\$614K

# Optional ASA Only Plan Update

- 2011 SEA 524 established an “ASA Only” option to new state employees
  - One-time irrevocable decision at time of hire
  - Employer pays the same rate as the PERF DB plan (FY14 = 3% ASA + 11.2% DB)
  - Employee receives 3.0% plus the actuarial equivalent of the PERF DB plan’s normal cost (FY13/14 = 4.7%) Total contribution = 7.7%
  - PERF DB plan keeps the difference to pay down the DB unfunded liability
  - Uses the existing ASA PERF/TRF ASA fund choices except the Guaranteed Fund
  - Implementation to take place 6 months after IRS approval
- September 2012 – Received IRS Approval
- March 2013 – Expected Implementation

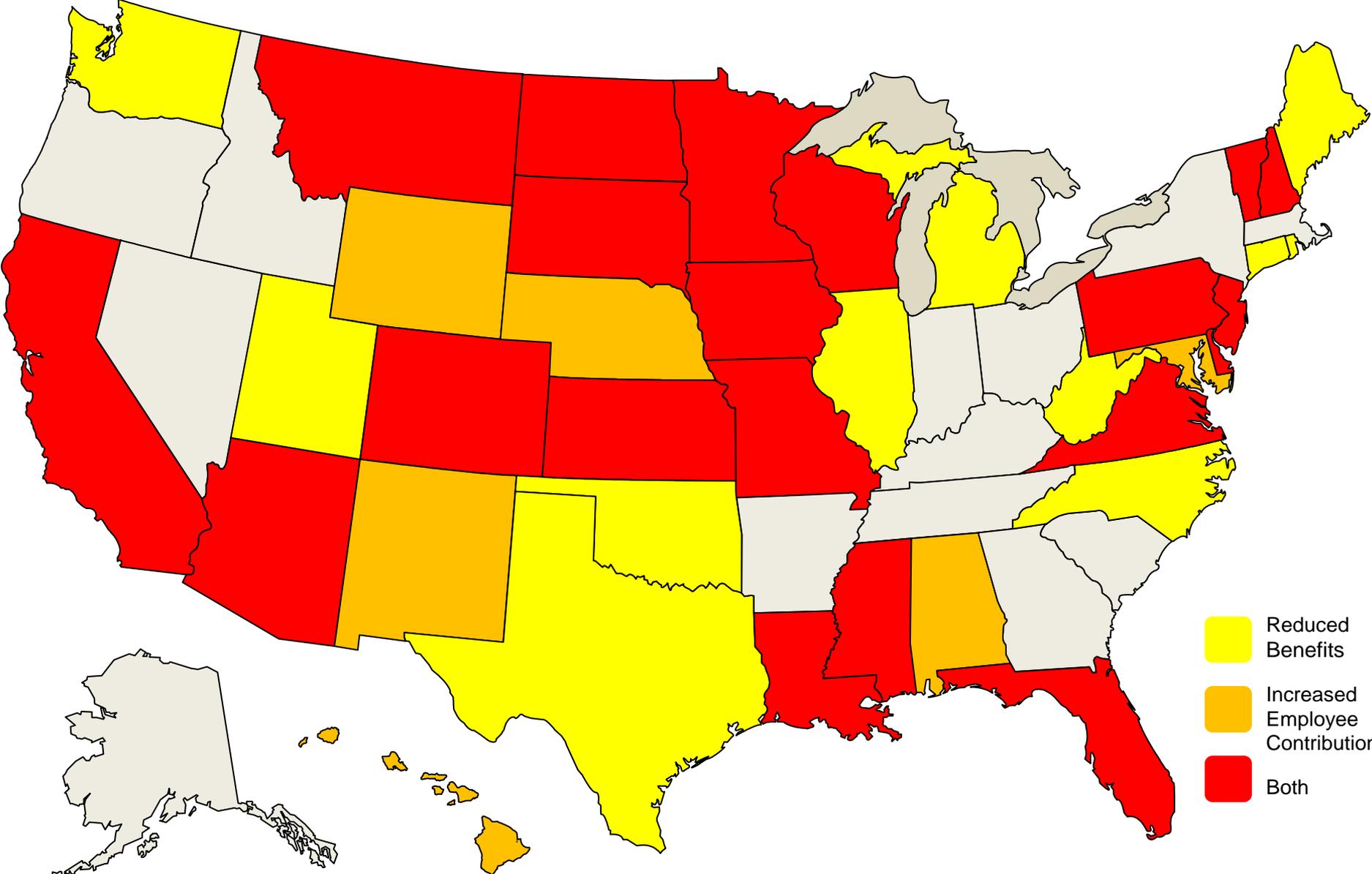
# Indiana has the lowest burden per household to fully fund public pensions in the U.S.



The Revenue Demands of Public Employee Pension Promises<sup>7</sup> by Robert Novy-Marx, University of Rochester and NBER and Joshua D. Rauh, Kellogg School of Management and NBER



# State Pension Reforms 2010 and 2011



Source: The Pew Center on the States and NCSL

# Key Features of Well Funded Plans\*

- Pay the ARC
- Employee Contributions
- Funded Benefit Improvements
- Responsible COLAs
- Anti – Spiking Measures
- Reasonable Actuarial Assumptions

## Indiana



\* National Institute on Retirement Security Study – June 2011

# APPENDIX

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# Public Employees' Retirement Fund (PERF) Fund Overview

As of June 30, 2012

**MEMBERSHIP:** *Full-time employees of the state and political subdivisions that elect to participate*

**TYPE:** *Defined Benefit - Hybrid (Defined Benefit + Annuity Savings Account)*

**FUNDED RATIO:** 76.6%

**UNFUNDED LIABILITY:** \$3,696 M

## BENEFITS

Benefit Formula: *1.1% x Avg. High 5 Yr. Salary x Yrs. Service (plus ASA)*

Vesting: *DB - 10 years, ASA - Immediate*

Full Retirement Age: *65 w/ 10 years service, 60 w/ 15 years service, 55 - rule of 85*

Avg. Overall Annual Retiree Benefit: *\$7,901 (ASA Annuitized)*

Actual	Projected Benefit Payments			
	FY12	FY13	FY14	FY15
\$599 M	\$641 M	\$684 M	\$731 M	

## FUNDING SOURCES

Employee Contribution: *3% salary to member ASA*

Employer Contribution (State): *Actuarially Calculated Contribution Rate (FY12 = 8.6%; FY13 = 9.7%; FY14 = 11.2%)*

Employer Contribution (Subdivisions): *Actuarially Calculated Contribution Rate (FY12 = 8.8%; FY13 = 9.7%; FY14 = 11.2%)*

Actual	Projected Contributions			
	FY12	FY13	FY14	FY15
\$159 M	\$147 M	\$151 M	\$155 M	
\$133 M	\$160 M	\$190 M	\$194 M	
<b>\$265 M</b>	<b>\$302 M</b>	<b>\$350 M</b>	<b>\$383 M</b>	
<b>\$557 M</b>	<b>\$609 M</b>	<b>\$691 M</b>	<b>\$732 M</b>	

# Teachers' Retirement Fund (TRF) Fund Overview

As of June 30, 2012

**MEMBERSHIP:** *Teachers of K12 public schools and certain state universities  
Consists of two accounts (Pre-1996 and 1996)*

**TYPE:** *Defined Benefit - Hybrid (Defined Benefit + Annuity Savings Account)*

**FUNDED RATIO:** *42.7% (Pre 1996 - 30.1%, 1996 - 90.7%)*

**UNFUNDED LIABILITY:** *\$11,946 M*

## BENEFITS

Benefit Formula: *1.1% x Avg. High 5 Yr. Salary x Yrs. Service (plus ASA)*

Vesting: *DB - 10 years, ASA - Immediate*

Full Retirement Age: *65 w/ 10 years service, 60 w/ 15 years service, 55 - rule of 85*

Avg. Annual Overall Retiree Benefit: *\$19,081 (ASA Annuitized)*

Actual FY12	Projected Benefit Payments		
	FY13	FY14	FY15
\$986 M	\$1,045 M	\$1,075 M	\$1,136 M

## FUNDING SOURCES

Employee Contribution: *3% salary to member ASA*

General Fund Appropriation: *Pre-96 Pay-as-you-go benefit obligation*

General Fund Appropriation: *Pre-Funded 13th Check*

Pension Stabilization Fund: *Pre-96 Pay-as-you-go benefit obligation*

Pension Stabilization Fund: *Lottery (Pre-96)*

ATR (HB 1376): *State Excess Reserves (To PSF)*

Employer Contribution: *1996 Account Actuarially Calculated Contribution Rate (FY12, FY13 & FY14 = 7.5%)*

Other: *Pre-96 Employer Contribution (AOS, FSP, HEP)*

Actual FY12	Projected Contributions		
	FY13	FY14	FY15
\$130 M	\$127 M	\$131 M	\$134 M
\$725 M	\$747 M	\$770 M	\$793 M
-	\$ 20 M	-	-
\$ 69 M	\$ 89 M	\$ 85 M	\$107 M
\$ 30 M	\$ 30 M	\$ 30 M	\$ 30 M
-	\$207 M	-	-
\$181 M	\$195 M	\$214 M	\$233 M
<u>\$ 9 M</u>	<u>\$ 11 M</u>	<u>\$ 10 M</u>	<u>\$ 10 M</u>
<b>\$1,144 M</b>	<b>\$1,426 M</b>	<b>\$1,240 M</b>	<b>\$1,307 M</b>

# 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) Fund Overview

As of June 30, 2012

**MEMBERSHIP:** *Local full-time police and firefighters hired after April 30, 1977*

**TYPE:** *Defined Benefit*

**FUNDED RATIO:** 91.9%

**UNFUNDED LIABILITY:** \$336 M

## BENEFITS

Benefit Formula: *50% of first class officer salary*

Vesting: *20 years*

Full Retirement Age: *52 with at least 20 years service*

Avg. Annual Overall Retiree Benefit: *\$23,977*

Actual	Projected Benefit Payments			
	FY12	FY13	FY14	FY15
\$ 85 M	\$ 91 M	\$104 M	\$118 M	

## FUNDING SOURCES

Employee Contribution: *6% of first class officer salary (max. 32 years)*

Employer Contribution: *Actuarially Calculated Contribution Rate (FY12, FY13 & FY14 = 19.7%)*

Actual	Projected Contributions			
	FY12	FY13	FY14	FY15
\$ 41 M	\$ 41 M	\$ 42 M	\$ 43 M	
<b>\$135 M</b>	<b>\$137 M</b>	<b>\$142 M</b>	<b>\$146 M</b>	
<b>\$176 M</b>	<b>\$178 M</b>	<b>\$184 M</b>	<b>\$189 M</b>	

# Judges' Retirement System Fund Overview

As of June 30, 2012

**MEMBERSHIP:** *Judges of the Indiana Supreme Court, Indiana Circuit Court, Indiana Tax Court, County and Municipal Courts*

**TYPE:** *Defined Benefit - Consists of two plans: 1977 System and the 1985 System*

**FUNDED RATIO:** 59.4%

**UNFUNDED LIABILITY:** \$178 M

## BENEFITS

Benefit Formula: *Final Salary x percent factor established in IAC (24% - 60%)*

Vesting: *8 years*

Full Retirement Age: *65 with at least 8 years service, 55 - rule of 85*

Avg. Annual Overall Retiree Benefit: *\$54,751*

Actual	Projected Benefit Payments			
	FY12	FY13	FY14	FY15
\$16.7 M	\$17.5 M	\$19.2 M	\$20.5 M	

## FUNDING SOURCES

Employee Contribution: *6% salary (max. 22 years)*

General Fund Appropriation: *Actuarially Calculated*

Other: *Certain docket and court fees*

ATR (HB 1376): *State Excess Reserves*

Actual	Projected Contributions			
	FY12	FY13	FY14	FY15
\$ 2.5 M	\$ 2.7 M	\$ 2.8 M	\$ 2.9 M	
\$11.8 M	\$ 14.1 M	\$13.7 M	\$13.9 M	
\$ 7.1 M	\$ 7.1 M	\$ 7.2 M	\$ 7.1 M	
-	\$ 90.2 M	-	-	
<b>\$21.4 M</b>	<b>\$114.1 M</b>	<b>\$23.7 M</b>	<b>\$23.9 M</b>	

# State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan Fund Overview

As of June 30, 2012

**MEMBERSHIP:** *State Excise Police, Gaming Agents, Gaming Control Officers, and Conservation Enforcement Officers*

**TYPE:** *Defined Benefit*

**FUNDED RATIO:** *67.1%*

**UNFUNDED LIABILITY:** *\$37 M*

## BENEFITS

Benefit Formula: *(Average high five salary x 25%) + (1.67% x yrs service beyond 10 years)*

Vesting: *10 years*

Full Retirement Age: *60 if hired before age 50, mandatory at 65*

Avg. Annual Overall Retiree Benefit: *\$23,810*

Actual	Projected Benefit Payments			
	FY12	FY13	FY14	FY15
\$ 4.7 M	\$ 4.8 M	\$ 5.1 M	\$ 5.5 M	

## FUNDING SOURCES

Employee Contribution: *Pre '77 hires - 3% of first \$8,500, Post '77 hires - 4% of total salary*

Employer Contribution: *Actuarially Calculated Contribution Rate (FY12, FY13 & FY14 = 20.75%)*

ATR (HB 1376): *State Excess Reserves*

Actual	Projected Contributions			
	FY12	FY13	FY14	FY15
\$ 1.0 M	\$ 1.0 M	\$ 1.1 M	\$ 1.1 M	
\$ 5.0 M	\$ 5.4 M	\$ 5.5 M	\$ 5.6 M	
-	\$14.6 M	-	-	
<b>\$ 6.0 M</b>	<b>\$21.0 M</b>	<b>\$ 6.6 M</b>	<b>\$ 6.7 M</b>	

# Prosecuting Attorneys' Retirement Fund (PARF) Fund Overview

As of June 30, 2012

**MEMBERSHIP:** Prosecutors or a chief deputy prosecutors serving after December 31, 1989  
Executive Director or Dep Executive Director of the Prosecutors Council, or state paid dep. prosecutors hired after June 30, 1995

**TYPE:** Defined Benefit

**FUNDED RATIO:** 49.0%

**UNFUNDED LIABILITY:** \$29 M

## BENEFITS

Benefit Formula: *High Salary x percent factor established in IAC (24% - 60%)*

Vesting: 8 years

Full Retirement Age: 65 with at least 8 years service

Avg. Annual Overall Retiree Benefit: \$21,853

Actual	Projected Benefit Payments			
	FY12	FY13	FY14	FY15
\$ 1.8 M	\$ 2.5 M	\$ 2.7 M	\$ 3.0 M	

## FUNDING SOURCES

Employee Contribution: 6% salary

General Fund Appropriation: Actuarially Calculated

ATR (HB 1376): State Excess Reserves

Actual	Projected Contributions			
	FY12	FY13	FY14	FY15
\$ 1.3 M	\$ 1.3 M	\$ 1.4 M	\$ 1.4 M	
\$ 1.8 M	\$ 2.0 M	\$ 1.2 M	\$ 1.1 M	
-	\$17.4 M	-	-	
<b>\$ 3.1 M</b>	<b>\$20.7 M</b>	<b>\$ 2.6 M</b>	<b>\$ 2.5 M</b>	

# Legislators' Retirement System Fund Overview

As of June 30, 2012

**MEMBERSHIP:** *Members of the Indiana General Assembly*

**TYPE:** *Defined Benefit - Members serving on April 30, 1989 who elected to participate*  
*Defined Contribution - Members serving on or after April 30, 1989 who elect to participate*

**FUNDING RATIO:** 75.0%

**UNFUNDED LIABILITY:** \$ 1.1 M

## BENEFITS

Benefit Formula: *Lesser of \$480 x yrs service before '89 OR high consecutive three year salary*

Vesting: *10 years*

Full Retirement Age: *65 with at least 10 years service, 55 - rule of 85, 60 w/ 15 yrs service*

Avg. Annual Overall Retiree Benefit: \$5,536 (DB Plan Only)

Actual	Projected Benefit Payments			
	FY12	FY13	FY14	FY15
\$ 0.3 M	\$ 0.4 M	\$ 0.4 M	\$ 0.4 M	\$ 0.4 M

## FUNDING SOURCES

Employer Contribution: *State rate plus 3% of salary for the DC plan*

General Fund Appropriation: *Actuarially Calculated Contribution for the DB plan*

Actual	Projected Contributions			
	FY12	FY13	FY14	FY15
\$ 1.3 M	\$ 1.4 M	\$ 1.6 M	\$ 1.6 M	\$ 1.6 M
\$ 0.1 M	\$ 0.2 M	\$ 0.1 M	\$ 0.1 M	\$ 0.1 M
<b>\$ 1.4 M</b>	<b>\$ 1.6 M</b>	<b>\$ 1.7 M</b>	<b>\$ 1.7 M</b>	<b>\$ 1.7 M</b>